

***CORRECTED MINUTES (see blue highlights)***  
***Process Standardization Working Group Meeting***

Thursday March 11, 2004 , 9:00 a.m. – 4:30 p.m.

GCSECA,

120 North 44<sup>th</sup> Street, Suite 100 Phoenix, AZ

	<b><i>Topic</i></b>	<b><i>Lead</i></b>	<b><i>Anticipated Outcome</i></b>
1	Welcome, Introductions, Sign-In, and Approval of Minutes	Evelyn Dryer	<p>Mrs. Dryer welcomed participants to the full group session of the Process Standardization Working Group meeting. A sign-in sheet was circulated and participants introduced themselves.</p> <p>The minutes from the February 26, 2004 meeting were approved with corrected minutes stated: APS said that Situation 4: That the statement “APS does not consider this an estimated bill” should be removed. APS said it would be considered as an unmeasured bill, not considered an estimation bill. They also send a letter with explanation of how they determined the unmeasured usage. Also, Patti Froetscher wanted clarify the last sentence in Situation 4: “Patti Froetscher with APS said it’s usually right when the meter is installed.” She said that an incorrect constant occurs when the meter was installed. Under further discussion heading: Situation 8 becomes Situation 7A: Should only say: Participants agree that an estimated bill would have to be generated if the meter has been tampered with. Situation 9 becomes Situation 7B.</p>
2	Discussion of the non- interval estimation standards and definitions	Evelyn Dryer	<p>John Wallace received comments back from one Co-op on Situation 4. Mohave said they would not consider Situation 4 an estimated bill. Participants wanted to have more discussion and clarification on Situation 4. See additional meeting notes below on Situation 4 Further Discussion (03/11/04).</p>
3	Update from Staff	ACC Staff	<p>Erinn Andreasen and Steve Irvine of the Commission staff had no comments</p>
4	Update from all participants	Evelyn Dryer	<p>Participants provided information on the status of deregulated activity in their service territories. SRP and APS have had no activity in the state, TEP has not had any activity in its territory, UniSource Energy Services (UES), has a customer that has put out a RFP letter but no response.</p> <p>The Cooperatives have not seen any activity, there was no ESP’s at this meeting.</p>
5	New Items	Evelyn Dryer	<p>Participants did not have any new items.</p>
6	Meeting Evaluation	Evelyn Dryer	<p>The group accomplished what they had intended to at this meeting.</p>

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| 7 | Set Next Agenda and future meeting locations. | Evelyn<br>Dryer | The next meeting will be held on April 8th, 2004 at 9 am at the Grand Canyon State Electrical Cooperative Association (GCSECA) facilities. Issues that we would like to discuss are: <b>A)</b> Review documentation from today's meeting <b>B)</b> Start on Kw and TOU <b>C)</b> Verfiy EPS surcharge and what we want to do a) leave it alone or b) get a joint waiver with standard language c) modify language in CIS system . |
| 8 | Adjourn Meeting                               | Evelyn<br>Dryer | The meeting was adjourned.  |

Name	Company	e-mail
Evelyn Dryer	TEP	<a href="mailto:edryer@tep.com">edryer@tep.com</a>
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Erinn Andreassen	ACC Staff	<a href="mailto:eandreasen@cc.state.az.us">eandreasen@cc.state.az.us</a>
Steve Irvine	ACC Staff	<a href="mailto:sirvine@cc.state.az.us">sirvine@cc.state.az.us</a>
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Pat Cassidy	SRP	<a href="mailto:prcassid@srpnet.com">prcassid@srpnet.com</a>

Further Discussion regarding Agenda Item #2 – A) Defining an estimated bill B) Examples of why participants would have to estimate a bill.

The rules and regulations say that meter readings shall be scheduled for periods of not less than 25 days or more than 35 days.

#### Definitions:

Actual read: A meter read taken from the meter that is used for billing.

Estimated read: A meter read that has been calculated because the meter read was not valid or available.

Corrected/Adjusted read: A meter read that has been determined incorrect and has been adjusted to reflect correct usage.

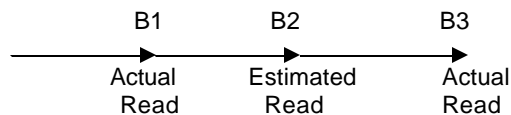
Prorated read: An actual read apportioned over a period of time outside the required meter read.

Some examples why an estimated read had to be used: Self read outside of billing cycle, severe weather conditions, locked gates, blocked meters, vicious or dangerous animals.

Situations of bills potentially labeled as estimated included:

Example 1: A read occurs at time period 1 while the following time period is estimated, and the third read an actual read. Therefore, two months could be considered estimated. Participants agree that the first month would result in a bill calculated from an estimated read, and could be considered an estimated bill. No parties considered the 2<sup>nd</sup> time period to result in an estimated bill.

Further Discussion: This is a “true-up”. Bill #1 would be an actual bill, Bill #2 would be an estimated bill, Bill #3 would be considered an actual or estimated bill? This is the discussion, if the start read is an estimated read in Bill #3 then how could it be an actual bill? Because the end read in Bill #3 is an actual read, and it is a “true up” from Bill #1 to Bill #3, so it is irrelevant that the start read in Bill #3 is estimated. Bill #3 should be considered an actual bill.



Example 2: Where in the middle of the billing period, the rate changes. Both the beginning and the end reads are actual reads.

Participants agreed that the bill is a pro-rated bill based on number of days in each billing rate, not an estimated bill because the bill is based on actual reads.

Further Discussion: Participants are still in agreement that this is a calculated kWh based on actual reads. That is would not be an estimated read.

Example 3: A bill is rendered before or after the meter read date. (Due to customers who self-read a meter too early or late, or the billing entity must bill in order to remain in compliance with the maximum number of days for billing, per state rules)

APS tags it as estimated. Trico considers it an adjusted bill, not estimated. TEP would not consider it estimated; perhaps pro-rated is a better term. Parties do not consider this an estimated bill.

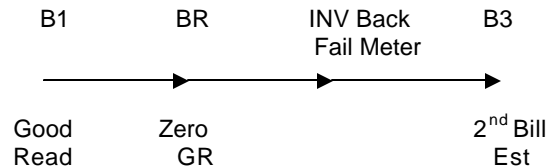
Further Discussion: APS still considers it an estimate. Originally, TRICO and TEP thought this was only pertaining to self-read meters, which they have none. This was discussed and decided that it did not just limit a meter read untimely due to self read. With that being the case, all participants agreed that it would be an estimate bill followed by an adjusted bill.

Situation 4: Meter slow (or fast) by a percentage

APS does not consider this an estimated bill. TEP, SRP, and TRICO consider an estimated bill. Other cooperatives did not have a position. All participants agreed this is a situation where the bill will be handled manually.

**Further Discussion (2/26/04):** This situation occurs because of equipment failure. This could be considered an estimated bill or not an estimated bill, depending on whether it was total failure or partial failure.

**Total failure:** You can not get a read, it is never going to operate again. You have to estimate the read. If the meter stops registering, and you can get a partial read and partial consumption TEP/UES would estimate. A High/Low exception report would result out of CIS and an SIO would be sent out to troubleshoot. APS would also estimate in this situation.



**Partial failure:** Reasons for partial failure: A) Incorrect constant, not considered an estimated bill B) Fast or Slow, yes, it is considered an estimated bill C) Registering percentage incorrectly in known time period, there is partial usage, and you know what the error rate is. Or registering for whole billing period but bad CT, VT, 50% reg, constant, numerous reasons why this could happen. We've got good consumption just need to recalculate bill. So, it is not considered an estimated bill by TEP/UES. Mrs. Dryer said anything to do with a constant does not constitute an estimated bill. In TEP's system it has to be off 3% +/- and ran through a 6 point test to qualify. We can prove scientifically when a meter dies off. Date/Time meters are either good or bad, run or don't run, on or off, it is not a gradual decline. Patti Froetscher with APS said it's usually right when the meter is installed.

**Further Discussion (3/11/04):** There was some confusion on how we should break this situation out. Instead of Total Failure / Partial Failure we decided to go with Estimated / Non-Estimated.

**Situation 4A: Estimated:**

- 1) Cannot get a read
- 2) Meter stops registering (with some read available)
- 3) inconsistent meter registering (measurements)

**Situation 4B: Non-Estimated:**

- 1) Can get a read with known error. Consumption can be calculated.
  - A) CT error ratio
  - B) Test % off
  - C) Multiplier incorrect
  - D) Leg out, some phase out, like one leg out of a three phase service.

- 2) Incorrect Remote Read – but can get visual read

- 3) Incorrect Digital Read - read with mechanical back up read

**Question:** when you determine you need to estimate a read for kWh, what are the steps you take?

- 1) With History (Premise history/same customer)

- A) Use Same month Last Year
  - B) Previous Month
  - C) Prior Year / Prior Month

(TRICO, SRP, APS, TEP, UES all agree) Noted comments: APS then uses seasonal evaluations averaging most recent seasonal use. Per diem average for partial months. TEP - Trending and load profiling. SRP - uses CUP – Customer Usage Patterns of like accounts.

**History considerations:** Seasonal evaluations, CUP evaluations, Trending analysis, and customer input.

2A) No History Available (No customer or no premise history, or New customer with premise history) Profiling Comparables. TEP uses segment profiling by 4 criteria. AC & EH, AC & GH, S&EH, S&GH. APS uses usage with seasonal considerations 25% off, per day, depending on season. SRP is like APS exception with 10% off.

Question: what if you're never going to get the read, no read ever vs. unable to get a read that that billing period due to a no access issue? APS and SRP would not estimate the bill until the meter was exchanged. First bill would be zero kWh.

Scenario:

Jan	= no consumption
Feb	= no consumption
March	= no consumption    meter exchanged
April	= actual consumption
May	= actual consumption

From the date of install, APS goes back 3 months. Bill Feb, March, April, if APS gets a good read in April. APS said current plus 2 months back is what they would estimate. SPR, and TEP were in agreement.

Correction (4/8/04) SRP estimates 3 months not including month of install.

In every situation, all participants agreed that we try to estimate conservatively.

2B) New Customer / New Premise / No Access (moved in new house with big dog)

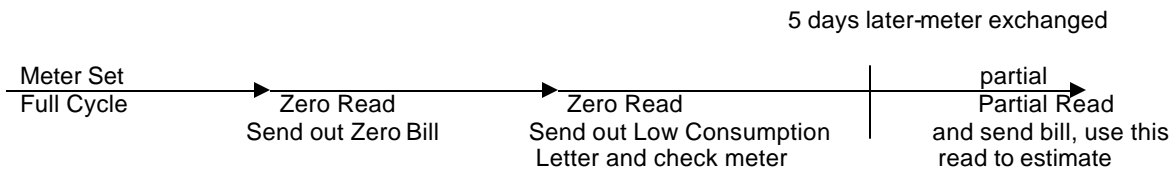
TEP would estimate with segment profiling

TRICO said no read, no bill.

Grand Canyon said no read, no bill, they would just eat the cost. Correction (4/8/04) Grand Canyon said no consumption would be billed but basic charges would be applied. APS said if it's 5 days into the bill cycle, APS goes back 3 months.

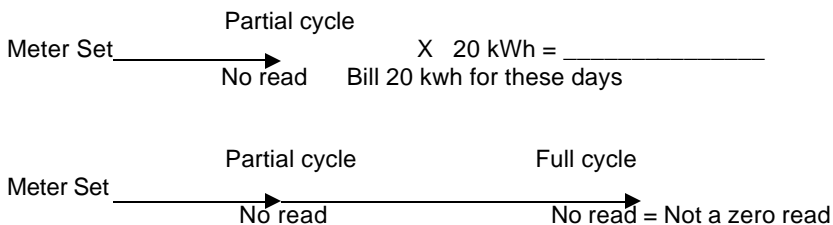
SRP said 5 days or less, will hold over until next months bill. 5 days or more, will estimate using CUP

APS said under 10 days, no estimate. Correction (4/8/04) APS said under 10 days, a zero usage bill would be sent out and the bill would have "estimate" on bill. Over 10 days, 20 kWh per day on initial bill, estimate thereafter using the "estimator". Bill reps use their best guess by going to comparable accounts, look at neighbors usage. They send out a blue card. Visual example of APS comment:



1) Use per day usage 2) 25% seasonal disc, depending on month 3) 3% disc on meter variance adj

Visual example of APS comment to if it was a no access issue:



APS would send a verify, can't get in, so they would use the APS "estimator"

TEP, SRP, TRICO, Grand Canyon all agreed with APS on the mechanics of the scenarios. They all agreed that when a read is finally given, all companies estimation methodologies differ on how/when they true up.

TEP said they would re-read the meter, if no access, they would estimate.

APS said they would verify the meter, if no access, they would estimate.

Co-ops said they were going to have to check and get back with us at the next meeting.

Situation 5: Tariff calls for estimation of usage (eg – street lights)

All participants consider a bill rendered in this situation to be an actual bill, not an estimated bill.

Further Discussion: Participants are still in agreement that this is not an estimate. Mrs. Dryer said it is a tariff based on unmetered services. The issue is that consumption is calculated not metered. Therefore, there is a straight charge on Dust-to-Dawn tariff, but not just limited to lighting. Steve Irvine asked “What if customer calls because light went out, what happens?” Mrs. Dryer said the bill will be prorated.

Situation 6 – ACC Rule calls for Estimation (eg load profiling)

Mapping the hourly interval data – should not be a concern, because billed on actual usage. The estimate would be allocated the monthly usage to the hour—this is a wholesale concern, not customer billing concern. This situation does not result in an estimated bill.

Further Discussion: Participants are still in agreement that this is not an estimate. It really does not apply. Mrs. Dryer said that we still use the consumption reads to bill the customer. The Load Profile is for Settlement purposes, not billing. Jana Van Ness said use the VEE rules reference.

Situation 7 – All other situations

-Situations where, agreed upon with customers, where percentages may be applied to account for losses (ie meter is located on the high side of a transformer, but customer gets power on the low side of the transformer) at the point of delivery, temporary service, cable faults, and flats. This list was not intended to be all-inclusive and is still subject to extenuating circumstances that may or may not result in a bill marked as estimated.

Further Discussion:

Situation 8 – Tampering

Participants agree that an estimated bill would have to be generated if the meter has been tampered with. APS and SRP change out their seals every month they read their demand meters. Mrs. Dryer said that any time a meter is by-passed it is going to have to be an estimated bill, whether it is cable faults, flats (cut in straight).

Situation 9 – Computer/Data Exchange

Participants agree this would be an estimated bill. An example of this situation would be that the billing system did not receive data but the meter was read by the Itron.